



ASX ANNOUNCEMENT

17 June 2009

Suncorp commences subordinated debt buy-back

Last night Suncorp-Metway Limited ("Suncorp") announced that holders of certain series of subordinated notes issued by Suncorp or a subsidiary may, subject to conditions, request an invitation from Suncorp to submit offers to sell their notes to Suncorp.

A total of 13 separate series of subordinated notes are on issue by Suncorp and its subsidiaries, of which eight are included in the invitation. A modified Dutch auction process will be followed to determine the price at which Suncorp may purchase the notes.

Suncorp may in its absolute discretion accept offers in relation to such notes up to a maximum aggregate principal amount of A\$500 million and may choose between the series of notes in order to obtain the optimal capital and earnings outcome.

Following completion of the transaction, Suncorp's capital ratios will continue to be ahead of internal targets and regulatory minimums.

The transaction is being managed by Citi and is expected to be completed on 3 July 2009.

ENDS

For more information, analysts / investors should contact:

Nicole Marques – 07 3835 5797

Peta Johnson – 07 3835 5684

Media should contact:

Jamin Smith – 07 3835 5183

This is not an invitation or offer for securities. No invitation is made to any United States or Italian person or to any person resident and/or located in the United States or Italy.